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SUBJECT: ZHENGZHOU CHINA-AFRICA SYMPOSIUM EXPOSES CENTRAL CHINA'S
LACK OF ENGAGEMENT WITH ONE OF BEIJING'S TOP CLIENTS

REF: (A) BEIJING 3085, (B) BEIJING 3578
SUMMARY

¶1. (SBU) A recent China-Africa Trade and Investment Symposium in Zhengzhou, held in conjunction with the Central China Expo, attracted a large number of local Chinese businesspeople but failed to provide many opportunities for dialogue with African counterparts. Although it might have been the Expo's nod to the Central government's push for increased trade and investment in African countries, the symposium had limited scope and the Expo had a low level of participation from African government or business representatives. The Expo instead demonstrated that Central China is focusing its efforts on drumming up investment and trade domestically and with Hong Kong. END SUMMARY.

TRAVEL TO ZHENGZHOU

¶2. (SBU) Embassy officers traveled to Zhengzhou, capital of China's most populous province (Henan), for the second annual Central China Expo April 25-27 (reftel A). Zhengzhou, a Virtual Presence Post city (reftel B), serves as one of the economic centers of the Central China region cut-out by the Central Government. In addition to meetings on the sidelines of the Expo with businesspeople and African diplomats, Emboff also attended the China-Africa symposium.

A NOD TO CHINA-AFRICA TRADE

¶3. (SBU) At the China-Africa Trade and Investment Symposium in Zhengzhou, Chinese officials said, the Central Government is actively engaging African countries in closer relations and working to forge deeper economic ties with the region. In November 2006, Beijing hosted the Summit on the Forum on China-Africa Cooperation, a large scale event that included participation at the highest levels of Chinese Government and sponsorship of delegates from nearly 50 African nations. Central China Expo organizers' inclusion of a China-Africa seminar and their support of African diplomats' travel to the Expo were a nod to the Central Government's push for increased trade and investment with the continent.

CENTRAL CHINA BUSINESSES SEARCH FOR NEW MARKETS...

¶4. (SBU) The symposium was well attended by Chinese businesspeople but had limited scope and was not attended by the African diplomats present at the expo. All presenters were employees or clients of a consulting firm that provides market entry assistance to Chinese companies doing business in South Africa and vice versa. The

majority of attendees that Emboff spoke to during the symposium were small- to mid-sized business owners with no previous experience in exporting. They were enthusiastic to look for any profit generating opportunities despite their lack of experience or exposure to foreign markets. In a conversation with Emboff, a local businessman stated that he had no connection with Africa as of yet, but Africa was known to have opportunities for Chinese companies so he had come to investigate. This seemed to be the prevailing attitude among attendees.

15. (SBU) In addition to business people seeking new markets for their products, one business representative inquired about opportunities to export labor to Africa. The speaker, a representative of a company called Beijing Axis, responded that this was a sensitive issue in China-Africa trade due to what he said was South Africa's greater than 50 percent unemployment rate and strong labor exploitation concerns surrounding Chinese workers in Africa.

16. (SBU) Not all of the attendees were new to the Africa market. A number of businesspeople with a decade or more of experience exporting products and services to Africa came to the event. An executive from a Henan-based meat packing corporation told Emboff that he had exported over USD 500,000 in pork products alone to Africa in 2006. He stated that most of his company's exports were sent to South Africa and Angola.

...BUT INTEREST IN AFRICA STILL BASED IN BEIJING

17. (SBU) Many Beijing-based African diplomats attended the Central China Expo (although not the China-Africa Symposium itself) but most said their countries do not have direct trade and investment links with Henan Province or the Central Region. A Second Secretary from

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Sierra Leone's Embassy said he had been sent to the trade fair to represent his government because his Ambassador was too busy accompanying a Beijing-based trade delegation to Freetown for a minerals trade mission. In other words, the diplomat indicated, enthusiasm for trade with Africa was much more intense in Beijing than in Zhengzhou.

CENTRAL CHINA'S FOCUS REMAINS ELSEWHERE

18. (SBU) During a meeting with Econoffs, Wei Zhiyong, Director of the Foreign Economy Department of the Henan Provincial Development and Reform Commission, indicated that there was in fact little representation from Africa at the Central China Expo. Wei underscored the importance provincial officials place on Hong Kong and Macau's representation at the expo and indicated that attracting increased investment and trade from Hong Kong and Macau was their priority. The commercial exhibition portion of the expo evidenced this, as there was no marked African presence, and the vast majority of exhibitors hailed from the mainland or Hong Kong.

COMMENT

19. (SBU) Despite the appearance that the symposium could generate opportunities for Central China businesses to engage Africa, the symposium, coupled with limited expo participation from African diplomats and no apparent African commercial presence, showed that the organizers did not execute in this regard. Although China-Africa contracts, investment and aid are major headlines in Beijing, the expo indicated that much of China's trade with Africa has not reached the country's central provinces. END COMMENT.

PICUTTA